# Message Text

CONFIDENTIAL

PAGE 01 LIMA 02069 01 OF 03 132236Z

73

**ACTION ARA-06** 

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00

SP-02 PM-03 DODE-00 MC-01 L-01 EB-03 SSO-00 INRE-00

/041 W

----- 039217

O P 132110Z MAR 75 FM AMEMBASSY LIMA TO SECSTATE WASHDC IMMEDIATE 4287 INFO AMEMBASSY SANTIAGO PRIORITY AMEMBASSY BRASILIA IMMEDIATE

CONFIDENTIAL SECTION 1 OF 3 LIMA 2069

LIMDIS

DEPARTMENT PLEASE PASS TO SECRETARY FROM ASST. SECRETARY ROGERS.

E.O. 11652 GDS

TAGS: PFOR, CI, OVIP (KISSINGER, HENRY A.)

SUBJECT: STOP IN CHILE

SUMMARY: YOU WOULD BE RECEIVED CORDIALLY IN CHILE. THERE WOULD BE NO PUBLIC DEMONSTRATIONS AGAINST YOU OR USG; AND NEITHER OFFICIALS NOR THE MEDIA WILL EXPLOIT VISIT FOR ANTI-US POSTURING. MY BRIEF MEETINGS WERE CORDIAL AND OPEN. CHILEANS HAD PLAINLY DONE THEIR HOMEWORK. WE EXPLORED A NUMBER OF MULTILATERAL ISSUES IN CONSIDERABLY GREATER DETAIL THAN AMB. POPPER TELLS ME THE GOC IS WONT TO DO, AS YOU WILL SEE BELOW CHILEANS PLAINLY DO NOT WANT TO JOIN WITH OTHER LATIN AMERICANS IN ANTI-US CONFRONTATION TACTICS. THEY THINK THEIR POSITION IN MULTILATERAL AGENCIES IS SLOWLY IMPROVING, AND ACCORDINGLY, THAT THEIR EFFORTS FOR MODERATION IN LATIN AMERICA AND OTHER FORUMS WILL BECOME MORE EFFECTIVE. BUT THEY GAVE ME NO SIGN OF ANY NEW DEPARTURE IN THE HUMAN RIGHTS AREA. END SUMMARY.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LIMA 02069 01 OF 03 132236Z

1. THREE-HOUR DISCUSSION BEGAN AT FOREIGN MINISTRY AT 1630

MARCH 11 WITH FOREIGN MINISTER CARVAJAL AND HIS TOP STAFF PLUS MINISTER OF ECONOMIC COORDINATION SAEZ, JOINED LATER BY MINISTER OF ECONOMY LENIZ AND MINISTER OF FINANCE CAUAS. TALKS WERE RESUMED AT AND AFTER AMB. POPPER'S WORKING DINNER FOR THE SAME FOUR MINISTERS PLUS SENIOR FOREIGN MINISTRY OFFICIALS. THE FOLLOWING TOPICS WERE COVERED.

- 2. DETENTE. FOREIGN MINISTER CARVAJAL OBSERVED THAT CHILE RECOGNIZES THAT IN STRENGTHENING THE PEACE, DETENTE BENEFITS NOT ONLY US AND USSR BUT ALL COUNTRIES, INCLUDING CHILE. NEVERTHELESS CHILE IS IN A SENSE A "VICTIM" OF DETENTE. CHILE IS THE TARGET OF A POWERFUL COLD-WAR CAMPAIGN BY THE USSR AND ITS ALLIES. AT THE SAME TIME THE USSR GIVE MASSIVE ARMS ASSISTANCE TO AN ALREADY HEAVILY ARMED PERU, AND EVEN THE US GIVES ARMS ASSISTANCE TO PERU, WHILE CHILE FINDS THE DOORS OF THE US AND EUROPE, ITS TRADITIONAL ARMS SUPPLIERS, CLOSED.
- 3. I NOTED THAT SECRETARY KISSINGER AND I HAD OPPOSED THE CONGRESSIONAL BAN ON MILITARY ASSISTANCE TO CHILE. I SAID WE WOULD CONTINUE TO DO SO. I POINTED OUT THAT THE BAN WAS REFLECTION OF THE CONGRESSIONAL CONCERN OVER HUMAN RIGHTS. COMMENT: ALTHOUGH IT WAS NOT CLEARLY ARTICULATED I READ INTO THIS AN EFFORT TO SAY TO US THAT THE DETENTE EQUATION SHOULD INCLUDE A SOVIET AGREEMENT TO REFRAIN FROM COLD-WAR PROPAGANDA AND SUBVERSIVE TACTICS AND FROM THE DESTABILIZING USE OF THE MILITARY ASSISTANCE INSTRUMENT IN CHILE'S CORNER OF THE UNDERDEVELOPED WORLD. END COMMENT.
- 4. REFORM OF THE INTER-AMERICAN SYSTEM. CARVAJAL CALLED ON FONOFF POLITICAL ADVISER BERNSTEIN, WHO MADE FOLLOWING POINTS. CHILE STRONGLY SUPPORTS THE INTER-AMERICAN SYSTEM AND IS VERY UNEASY ABOUT THE DRIVE IN RECENT YEARS TO EFFECT BASIC REFORMS. IT BELIEVES THIS EFFORT IS ILL-CONCEIVED AND DANGEROUS, SINCE IT LACKS ANY PRECISE OBJECTIVES. IT ALSO BELIEVES THE EFFORT HAS BEEN NOTABLY LACKING IN POSITIVE RESULTS. GOC IS PARTICULARLY ANXIOUS TO RETAIN RIO TREATY GUARANTEES AGAINST EXTRA-HEMISPHERIC CONFIDENTIAL

#### CONFIDENTIAL

PAGE 03 LIMA 02069 01 OF 03 132236Z

AGGRESSION. GOC DOES NOT CONSIDER THE PROPOSED AMENDMENTS TO THE RIO TREATY TO BE IMPROVEMENTS. THE ONE REFORM OF THE INTER-AMERICAN SYSTEM WHICH CHILE DOES SUPPORT IS A STRENGTHENING OF THE ARRANGEMENTS FOR PEACEFUL SETTLEMENT OF DISPUTES. THE SYSTEM HAS THE TWO LEGS OF THE OAS CHARTER AND THE RIO TREATY BUT NEEDS TO BE BALANCED BY THE THIRD LEG OF A FUNCTIONING INTER-AMERICAN SYSTEM FOR PEACEFUL SETTLEMENT.

5. OAS SECRETARY-GENERAL. CARVAJAL SAID CHILE IS FULLY COMMITTED TO SAPENA PASTOR AS LONG AS HE IS A CANDIDATE WHILE THERE WILL BE NO WAVERING IN THIS POSITION, THE GOC IS ALSO INTERESTED IN THE CANDIDACY OF ARGENTINE AMBASSADOR ORFILA AND WOULD SHIFT TO HIM IF SAPENA SHOULD WITHDRAW. I SAID WE HAD HIGHEST RESPECT FOR SAPENA PASTOR BUT DID NOT BELIEVE WE OUGHT TO INDICATE A PREFERENCE FOR ANY CANDIDATE AT THIS TIME.

6. CUBA. FOREIGN MINISTER VOLUNTEERED THAT CHILE IS NOT INTRANSIGENT ON THE CUBAN ISSUE BUT HOPES THE ISSUE WILL NOT ARISE AT THE OASGA BECAUSE OF ITS HIGHLY DIVISIVE CHARACTER. HE SAID GOC IS WILLING TO BE REASONABLE ON THE LIFTING OF SANCTIONS BUT BELIEVES THAT CUBA MUST COMMIT ITSELF TO PROPER BEHAVIOR IN RETURN. I ASKED IF HE HAD SPECIFIC IDEAS HOW CUBA SHOULD DO SO, BUT HE DID NOT. THE CHILEANS ARE NOT CHARMED BY THE IDEA OF ENDING THE SANCTIONS BUT JUST AS CLEARLY ARE NOT DESPERATE AT THE PROSPECT EITHER. I SAID NOTHING ABOUT OUR POSITION. I WOULD GUESS THEY MIGHT LIKE TO DISCUSS IT WITH YOU, THOUGH IT IS NOT FOR THEM A FIRST MAGNITUDE ISSUE.

7. IADB. CARVAJAL OBSERVED THAT THE PLANNING WORK OF THE INTER-AMERICAN DEFENSE BOARD IS BASED LARGELY ON THE ASSUMPTION THAT HEMISPHERE COOPERATION IS NEED TO COPE WITH THE AGGRESSIVE INTENT OF THE "EASTERN BLOC". PROTRACTED CONVENTIONAL

WARFARE AGAINST THE AMERICAS IS NOT A REAL LIKELIHOOD IN THE MODERN WORLD. WHAT IS LIKELY IS A CONTINUED SOVIET EFFORT TO PENETRATE AND SUBVERT DEVELOPING NON-COMMUNIST COUNTRIES. THE IADB SHOULD THEREFORE BE CALLED UPON TO REFOCUS ITS EFFORT TO MEET THIS THREAT, AND ITS GROUND CONFIDENTIAL

CONFIDENTIAL

PAGE 04 LIMA 02069 01 OF 03 132236Z

RULES MAKE THIS POSSIBLE. WE RAISED THE QUESTION WHETHER THE MILITARY STAFFED IADB WAS AN APPROPRIATE ORGAN FOR DEALING WITH THIS ESSENTIALLY POLITICAL MATTER, BUT THE SUBJECT WAS NOT PURSUED.

NOTE BY OC/T: NOT PASSED TO SECRETARY.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 LIMA 02069 02 OF 03 132322Z

73

**ACTION ARA-06** 

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00

SP-02 PM-03 DODE-00 MC-01 L-01 EB-03 OES-02 SSO-00

INRE-00 /043 W

----- 039875

O 132110Z MAR 75 FM AMEMBASSY LIMA TO SECSTATE WASHDC IMMEDIATE 4288 INFO AMEMBASSY SANTIAGO PRIORITY AMEMBASSY BRASILIA IMMEDIATE

CONFIDENTIAL SECTION 2 OF 3 LIMA 2069/2

LIMDIS

DEPARTMENT PLEASE PASS TO SECRETARY FROM ASST. SECRETARY ROGERS

- 8. LA ARMS LIMITATION. WHILE CARVAJAL IS REALISTIC REGARDING THE POSSIBILITIES FOR THE SUCCESS OF LATIN AMERICAN ARMS CONTROL EFFORTS, HE SAID HE CONSIDERED THE RECENT ANDEAN PACT ARMS MEETING IN LIMA USEFUL. CHILE HAD INSISTED THAT FURTURE DISCUSSIONS BE EXPANDED TO INCLUDE ALL AMERICAN STATES. ALL OF THEM, HE FELT, SHOULD BE CONCERNED WITH THE PROBLEM: THE US WOULD BE PRESENT NOT WITH A VIEW TO LIMIT-ING ITS OWN ARMAMENT BUT IN ORDER TO INVOLVE THE US AS AN ARMS SUPPLIER. GOC DOES NOT WANT AN ARMS FREEZE, WHICH WOULD LEAVE PERU FAR STRONGER THAN CHILE, BUT RATHER A SYSTEM OF VERIFICATION TO INVENTORY OFFENSIVE ARMS, AND QUANTI-TATIVE LIMITS. DEFENSIVE WEAPONS NEED NOT BE CONTROLLED. THIS PROCESS WOULD BE DIFFICULT. BUT THE GOC CONSIDERS IT FEASIBLE, MEANWHILE THE CONTINUATION OF DISCUSSIONS ON THIS SUBJECT, AT MEETINGS TO BE HELD IN VARIOUS COUNTRIES IN ROTATION, COULD ACT AS SOMETHING OF A DETERRENT TO FURTHER SIGNIFICANT OFFENSIVE ARMS ACQUISITIONS BY PARTICIPANTS.
- 9. I NOTED MY EARLIER PUBLIC EXPRESSION OF US EXECUTIVE BRANCH SUPPORT FOR THE AYACUCHO INITIATIVE, AND THE STRENGTH CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LIMA 02069 02 OF 03 132322Z

OF CONGRESSIONAL INTEREST IN LATIN AMERICA DISARMAMENT AS WELL. I SAID WE WOULD LIKE TO BE AS HELPFUL AS POSSIBLE AND INVITED CARVAJAL TO LET ME KNOW IF THERE WERE ANYTHING WE COULD DO BEFORE YOUR VISIT.

- 10. LATIN AMERICAN ECONOMIC SYSTEM. CARVAJAL DESCRIBED THE RECENT VISIT OF A VENEZUELAN EMISARY SEEKING GOC SUPPORT FOR SELA. GOC HOPES SELA WILL NOT BECOME A REALITY BECAUSE IT IS LIKELY TO ADOPT A POLICY OF CONFRONTATION WITH THE US (THEY NOTED IT INCLUDES CUBA BUT EXCLUDES US), ADDS TO OVERGROWN BUREAUCRACY OF OVERLAPPING INSTITUTIONS, AND WOULD TEND TO MAKE OIL-POOR LATIN AMERICAN COUNTRIES THE HOSTAGES OF THE NEW-RICH LA OIL EXPORTERS. (HE REPORTED VENEZUELAN OFFER, THROUGH INTERMEDIARIES, OF PETROLEUM ON SPECIAL TERMS NOW BEING GIVEN CENTRAL AMERICA. GOC HAD DECLINED OFFER BECAUSE OF FEAR OF POLITICAL STRINGS.) NEVERTHELESS IF SELA PICKS UP MOMENTUM, CHILE WILL HAVE TO JOIN. HE ASKED FOR MY VIEWS. I SAID WE HAVE REMAINED PUBLICLY NEUTRAL ABOUT SELA LARGELY BECAUSE OF OUR DIFFICULTY IN DETERMINING AND ANALYZING ITS PURPOSES.
- 11. AT THIS POINT RAUL SAEZ TOOK OVER THE GOC PRESENTATION. HE SAID IT IS PERFECTLY CLEAR THAT SELA IS A POLITICAL ANIMAL IN ECONOMIC CLOTHING; IT REPRESENTS THE SPEARHEAD IN THIS HEMISPHERE OF THE ACROSS-THE-BOARD DRIVE OF THE GROUP OF 77. AT THE SAME TIME IT IS CLEAR THAT THE US DOES NOT TODAY HAVE A PHILOSOPHY OR PROGRAM FOR ECONOMIC DEVELOPMENT OF THE HEMISPHERE. THIS CONTRASTS BOTH WITH US PAST PRACTICE DURING THE ALLIANCE FOR PROGRESS AND WITH THE QUITE REMARKABLE AND VERY GENEROUS AGREEMENT CONCLUDED AT THE END OF FEBRUARY BETWEEN THE EEC AND 47 DEVELOPING COUNTRIES (THE ACP GROUP). IN THE ABSENCE OF ANY MEANINGFUL ALTERNATIVE, THE GOC WILL BE COMPELLED TO JOIN SELA DESPITE ITS RELUCTANCE.
- 12. I NOTED THAT CONSIDERATION HAD BEEN GIVEN TO THE CREATION OF A NEW DEVELOPMENT MECHANISM WITHIN THE OAS AND ASKED ABOUT THE POSSIBILITY OF LATIN AMERICAN INITIATIVES TO DEVELOP AND ALTERNATIVE TO SELA. SAEZ SAID CHILE HAS SOME IDEAS ABOUT A NEW DEVELOPMENT MECHANISM. HOWEVER, DESPITE GOC BELIEF THAT ITS VOICE IS RECOVERING CONFIDENTIAL

## CONFIDENTIAL

PAGE 03 LIMA 02069 02 OF 03 132322Z

SOME OF ITS PREVIOUS STRENGTH IN INTERNATIONAL FORA AND REGIONAL ORGANIZATIONS, GOC IS NOT YET IN A POSITION TO TAKE THE LEAD IN SUCH A MATTER. SAEZ AND CARVAJAL AGAIN EMPHASIZED THAT GOC WISHES SELA WOULD GO AWAY BUT WOULD INEVITABLY HAVE TO JOIN IT IF IT DOES NOT. IN SUCH EVENT, GOC WOULD EXERT MODERATING INFLUENCE. THEY URGED THAT US PROVIDE AN ALTERNATIVE QUICKLY AND BY PUBLICLY SUPPORTING ECONOMIC MECHANISMS FOR LATIN CONSULTATION WITHIN THE EXISTING INTER-AMERICAN SYSTEM.

13. TRADE ACT. CARVAJAL SAID GOC HAS STUDIES TRA CAREFULLY

AND IS VERY FAVORABLY IMPRESSED WITHIT OVERALL. ONE OF HIS ECONOMIC EXPERTS (DAZA) REVIEWED TRA IN FOLLOWING TERMS: GOC VIEWS MFN PORTION OF ACT AS AN IMPORTANT IMPETUS TO IMPROVED WORLD TRADE SYSTEM OF BENEFIT TO ALL. GSP PORTION OF ACT IS MORE BENEFICIAL TO CHILE THAN JAPANESE AND EC VERSIONS. GOC HOPES THAT AS TRADE NEGOTIATIONS PROCEED EC AND JAPANESE WILL MODIFY THEIR SYSTEMS TO OFFER BENEFITS EQUIVALENT TO THOSE IN TRA. DESPITE VERY POSITIVE GOC REACTION TO TRA CHILE HAS SUPPORTED LA INITIATIVE FOR REMOVAL OF DISCRIMINATION AGAINST LA OPEC MEMBERS. GOC ALSO IS CONCERNED THAT PRODUCTS TO BE GIVEN GSP TREATMENT ARE AT US DISCRETION.

14. GOC HAS A NUMBER OF SUGGESTIONS FOR CHANGES IN TRA (NOT ALWAYS CLEARLY ENUNCIATED) OR ITS IMPLEMENTATION.
THESE INCLUDE: A. MFN LIST OF TRIFF REDUCTIONS SHOULD
REINFORCE GSP LIST; B. US SHOULD EXTEND FULL MFN BENEFITS
TO LDC'S AT ONCE INSTEAD OF OVER MORE EXTENDED PERIOD
PROVIDED IN LAW; C. NTB'S SHOULD BE NEGOTIATED IN GATT;
D. SAFEGUARD CLAUSES SHOULD BE APPLIED IN COMPASSIONATE
WAY SINCE SAFEGUARDS MUCH MORE IMPORTANT TO LDC'S THAN TO
DEVELOPED COUNTRIES. (GOC WILL PROVIDE DETAILED MEMORANDUM
AT OUR REQUEST WHICH EMBASSY WILL FORWARD). NOTING THAT
SOME DEVELOPING COUNTRIES OUTSIDE LA WILL APPARENTLY RECEIVE
GSP BENEFITS FROM US AS WELL AS SPECIAL PREFERENCES ALREADY
BEING RECEIVED FROM EUROPEANS, CHILEANS INQUIRED ABOUT
POSSIBILITY OF SPECIAL TREATMENT FOR LA'S WITHIN GSP.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 LIMA 02069 03 OF 03 140001Z

73

ACTION ARA-06

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00

SP-02 PM-03 DODE-00 MC-01 L-01 EB-03 OES-02 SSO-00

INRE-00 /043 W

----- 040686

O 132110Z MAR 75 FM AMEMBASSY LIMA TO SECSTATE WASHDC IMMEDIATE 4289 INFO AMEMBASSY SANTIAGO PRIORITY AMEMBASSY BRASILIA IMMEDIATE

### CONFIDENTIAL FINAL SECTION OF 3 LIMA 2069/3

#### LIMDIS

#### DEPARTMENT PLEASE PASS TO SECRETARY FROM ASST. SECRETARY ROGERS

15. I OBSERVED THAT ANY PREFERENCE SYSTEM IS NECESSARILY DISCRIMINATORY, THE ONLY QUESTION BEING IN WHOSE FAVOR WILL THE COUNTRY GRANTING PREFERENCES DISCRIMINATE. NEVERTHELESS WE HAD MADE IT CLEAR WE THOUGH CERTAIN CONGRESSIONAL LIMITATIONS ON GSP COVERAGE UNWISE AND ARE CONSULTING WITH THE CONGRESS AS TO HOW THIS ASPECT OF THE TRA MAY BE CHANGED. I EXPRESSED SOME OPTIMISUM THAT WE MIGHT BE ABLE TO ANNOUNCE A CHANGE IN THE OPEC EXCLUSION CLAUSE AFFECTING LA PRIOR TO THE OASGA MEETING IN MAY. I SAID WE THOUGHT IT ESSENTIAL THAT PREFERENCES BE EXTENDED TO ALL DEVELOPING COUNTRIES AND THAT I SAW NO POSSIBILITY OF PROVIDING SPECIAL TREATMENT FOR LA WITHIN GSP THROUGH AN AMENDMENT TO THE LAW AT THIS TIME.

16. DEBT RESCHEDULING. SAEZ EXPRESSED DEEP GOC APPRECIATION FOR CONTINUING USG UNDERSTANDING AND SUPPORT TO CHILE IN DEBT RENEGOTIATION EFFORT AND ESPECIALLY FOR OUR HELP IN KEEPING PARIS CLUB ALIVE IN WAKE OF UK DECISION TO BOYCOTT MARCH MEETING. GOC NOW BELIEVES THAT MEETING CAN GO FORWARD AS PLANNED. AT THAT TIME, CONFIDENTIAL

### CONFIDENTIAL

PAGE 02 LIMA 02069 03 OF 03 140001Z

CHILE WILL SEEK RESCHEDULING OF 95 PERCENT OF 1975 MATURITIES. GOC WILL ALSO ASK FOR CREATION OF A COMMITTEE TO STUDY A RESCHEDULING FORMULA TO BE APPLIED DURING ENSUING 5-8 YEARS. SAEZ EMPHASIZED THAT HAD IT NOT BEEN FOR THE COLLAPSE OF WORLD COPPER PRICE, CHILE WOULD NEED ONLY LIMITED RESCHEDULING ASSISTANCE AND DOMESTIC INFLATION WOULD BE FAR BETTER CONTROLLED.

16. US SUPPORT FOR NEW COMMERCIAL BORROWING. SAEZ SAID THAT, GIVEN CHILE'S BLEAK BOP OUTLOOK, GOC SOON WILL SEEK TO BORROW \$150 MILLION FROM US BANKS. GOC WOULD LIKE US HELP IN ARRANGING BANK LOANS. GOC REGARDS THIS AS REASONABLE REQUEST SINCE GOC WILLINGNESS TO WORK OUT COMPENSATION AGREEMENTS WITH NATIONALIZED US COMPANIES DURING 1974 HAS ADDED SIGNIFICANTLY TO BOP PROBLEMS. GOC PAID MORE THAN \$100 MILLION IN COMPENSATION TO SUCH FIRMS DURING 1974 AND WILL PAY APPROXIMATELY \$100 MILLION MORE IN 1975. AS A SEPARATE OPERATION, GOC NEEDS TO BORROW \$150 MILLION FROM PETRO-DOLLAR HOLDERS WHO WANT SOME KIND OF GUARANTEE. GOC WOULD LIKE US TO CONSIDER WHETHER USG OR US BANKS MIGHT HELP IN SOME WAY WITH THIS LATTER PROBLEM.

17. TRANSNATIONAL CORPORATIONS. FOREIGN MINISTER AND SAEZ BOTH EMPHASIZED THAT GOC HAS NO PROBLEM WITH TRANSNATIONAL CORPORATIONS. CHILE NEEDS, WANTS AND ENCOURAGES DIRECT FOREIGN INVESTMENT. GOC IS SEEKING CHANGES IN DECISION OF ANDEAN PACT TO MAKE REGION MORE ATTRACTIVE TO PRIVATE CAPITAL. SAEZ IS PLEASED THAT HIS REQUEST TO BONN TO WEIGH IN ON BEHALF OF SUCH CHANGES HAS PRODUCED LETTERS FROM GERMAN CHAMBERS OF COMMERCE TO ANDEAN PACT HOST GOVERNMENTS POINTING OUT NEED FOR CHANGES TO ENCOURAGE PRIVATE INVESTMENT. GOC SOON WILL PROMULGATE NEW MINING LAW OPENING MINERALS EXPLORATION AND EXPLOITATION, INCLUD-ING PETROLEUM, TO FOREIGN AND DOMESTIC PRIVATE ENTERPRISE. ALTHOUGH THESE ACTIVITIES HAVE HERETOFORE BEEN RESERVED TO THE STATE, GOC IS CONFIDENT THAT IT CAN ESTABLISH A REGIME BENEFICIAL TO BOTH FOREIGN INVESTORS AND CHILE, AND HAS NO ANXIETY ABOUT FOREIGN PRIVATE ENTERPRISE.

18. TRANSFER OF TECHNOLOGY. CHILEANS NOTED THAT THE GOC IS TAKING SEVERAL IMPORTANT STEPS ON ITS OWN TO PROMOTE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LIMA 02069 03 OF 03 140001Z

TRANSFER OF TECHNOLOGY. GOC AND ITT ARE UNDERTAKING A JOINT VENTURE TO SET UP A REGIONAL RESEARCH CENTER HERE IN NUTRITION AND ELECTRONICS. THEY RECALLED PROPOSAL IN YOUR HOUSTON SPEECH THAT US AND LA JOINTLY ESTABLISH AND FINANCE RESEARCH CENTERS IN NUTRITION AND FOOD TECHNOLOGY. THEY SUGGESTED POSSIBILITY OF INCLUDING SOME SYMBOLIC ACT RELATED TO ESTABLISHMENT OF THIS NUTRITIONAL RESEARCH CENTER AS A FEATURE OF YOUR VISIT. LENIZ EMPHASIZED CHILEAN RELIEF THAT MEANINGFUL TRANSFER OF TECHNOLOGY CAN TAKE PLACE ONLY THROUGH ON-THE-JOB EXPERIENCE SUCH AS THIS RESEARCH CENTER WILL PROVIDE. HE SUGGESTED USG CONSIDER USING TAX TO ENGAGE IN JOINT VENTURES INVOLVING TRANSFER OF TECHNOLOGY TO LDC'S.

19. SAEZ ALSO REPORTED GOC WILL SOON REQUEST THAT LOCAL NASA TRACKING STATION PROVIDE ERTS SATELLITE READOUT FOR CHILEAN USE IN RESOURCE SURVEYS AND CROP REPORTING. DEAN

CONFIDENTIAL

NNN

# Message Attributes

Automatic Decaptioning: Z Capture Date: 01 JAN 1994 Channel Indicators: n/a

**Current Classification: UNCLASSIFIED** 

Concepts: REPORTS, VISITS, POLITICAL SITUATION, POLITICAL SUMMARIES

Control Number: n/a Copy: SINGLE Draft Date: 13 MAR 1975 Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW Disposition Action: RELEASED Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975| IMA02069

Document Number: 1975LIMA02069 Document Source: CORE Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: GS Errors: N/A

Film Number: D750088-1013 From: LIMA Handling Restrictions: n/a

Image Path:

Legacy Key: link1975/newtext/t19750355/aaaabxau.tel

Line Count: 429

Locator: TEXT ON-LINE, ON MICROFILM Office: ACTION ARA Original Classification: CONFIDENTIAL Original Handling Restrictions: LIMDIS Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 8

Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL Previous Handling Restrictions: LIMDIS Reference: n/a

Review Action: RELEASED, APPROVED Review Authority: GolinoFR

Review Comment: n/a Review Content Flags: Review Date: 20 MAY 2003

**Review Event:** 

Review Exemptions: n/a
Review History: RELEASED <20 MAY 2003 by ElyME>; APPROVED <20 MAY 2003 by GolinoFR>

**Review Markings:** 

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JÚL 2006

**Review Media Identifier:** Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: STOP IN CHILE SUMMARY: YOU WOULD BE RECEIVED CORDIALLY IN CHILE. THERE

TAGS: PFOR, OVIP, CI, US, (KISSINGER, HENRY A), (ROGERS, WILLIAM D)

To: STATE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006